



Fact Sheet

U.S. Department of Agriculture
Foreign Agricultural Service

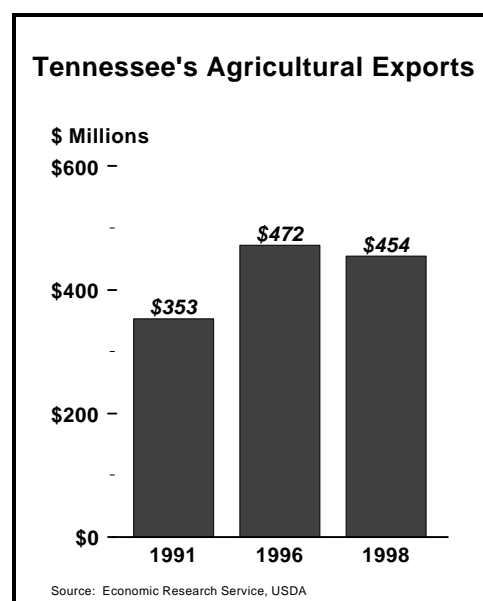
WTO and Agriculture **What's at Stake for Tennessee?**

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Tennessee produces agricultural and forest products and exports them worldwide. The state's farm cash receipts and forest product shipments totaled \$2.2 billion in 1998 and \$1.1 billion in 1996, respectively. As for exports, Tennessee's agricultural sales overseas reached an estimated \$454 million in 1998. These exports help boost farm prices and income, while supporting about 6,900 jobs both on and off the farm in food processing, storage, and transportation. Exports are increasingly important to Tennessee's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports has risen from 18% to 20% since 1991.

The top five agricultural exports in 1998 were:

- # soybeans and products -- \$137 million
- # cotton -- \$90 million
- # tobacco leaf -- \$86 million
- # poultry and products -- \$37 million
- # live animals and red meats -- \$27 million



World demand is increasing, but so is competition among suppliers. If Tennessee's farmers, ranchers, and food processors are to compete successfully for opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

Tennessee Benefits From Trade Agreements

- # Tennessee benefits under the Uruguay Round as the EU reduces tobacco tariffs by 20 percent to 50 percent, Japan reduces tariffs and binds its duty rate at zero, and other countries reduce import duties.
- # An important cotton producer, Tennessee benefits under the Uruguay Round, where Hong Kong and Malaysia bound their cotton tariffs at zero.
- # Tennessee benefits from the Uruguay Round with a 38-percent reduction in the quantity of EU beef receiving export subsidies by 2000. Japan and the Philippines are reducing beef tariffs to 38.5 percent and 35 percent. Korea will drop its beef import quota by 2001 and reduce its

tariffs to 40 percent by 2004.

Under the Uruguay Round, major U.S. trading partners are reducing their tariffs 28 percent on average for wood products.